


**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

UNITED STATES OF AMERICA,
Plaintiff,

V.

**REAL PROPERTY LOCATED AT
308 POST OAK TRAIL, MURPHY,
COLLIN COUNTY, TEXAS, INCLUDING
ALL BUILDINGS, APPURTENANCES,
AND IMPROVEMENTS THEREON**

Defendant.



No. 4:20-CV-485

VERIFIED COMPLAINT FOR FORFEITURE

In accordance with Fed. R. Civ. P. Supplemental Rule G(2), the United States of America, Plaintiff, brings this complaint for forfeiture and alleges as follows:

NATURE OF ACTION

1. This matter is an *in rem* action brought against the following defendant real property located at 308 Post Oak Trail, Murphy, Collin County, Texas:

Lot 19, Block M, MAXWELL CREEK NORTH PHASE 4, an Addition to the City of Murphy, Collin County, Texas, according to the Map or Plat thereof recorded in Volume N, Page 30, of the Map Records of Collin County, Texas.

JURISDICTION AND VENUE

2. The Court has subject matter jurisdiction over an action commenced by the United States pursuant to 28 U.S.C. § 1345 and over an action for forfeiture pursuant to 28 U.S.C. § 1355(a).

3. The Court has *in rem* jurisdiction over the defendant property pursuant to 28 U.S.C. § 1355(b)(1)(A) because acts or omissions giving rise to the forfeiture occurred in the Eastern District of Texas. The Court also has *in rem* jurisdiction over the defendant property located in the Eastern District of Texas pursuant to 28 U.S.C. §§ 1355(b)(1)(B) and 1395(b).

4. Venue is proper pursuant to 28 U.S.C. §1355(b)(1)(A) because acts or omissions giving rise to the forfeiture occurred in the Eastern District of Texas.

FACTUAL BACKGROUND

The Paycheck Protection Program

5. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in March 2020 and designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of forgivable loans to small

businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program (“PPP”).

6. To obtain a PPP loan, a qualifying business was required to submit a PPP loan application, which was signed by an authorized representative of the business. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application (SBA Form 2483), the small business (through its authorized representative) was required to state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures were used to calculate the amount of money the small business is eligible to receive under the PPP. In addition, businesses applying for a PPP loan were required to provide documentation showing their payroll expenses.

7. A PPP loan application was processed by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own monies, which were guaranteed by the Small Business Administration (“SBA”). Data from the application, including information about the borrower, the total amount of the loan, and the listed

number of employees, was transmitted by the lender to the SBA in the course of processing the loan.

8. PPP loan proceeds were required to be used on certain permissible expenses, including payroll costs, mortgage interest, rent, and utilities. Under the applicable PPP rules and guidance, the interest and principal on the PPP loan is eligible for forgiveness if the business spent the loan proceeds on these expense items within a designated period of time and used a certain portion of the loan towards payroll expenses.

The Purchase of 308 Post Oak Trail, Murphy, Texas in 2018

9. Fahad Shah and Farah Modi-Shah purchased 308 Post Oak Trail in Murphy, Texas on or about March 2, 2018. The original deed filed with the Collin County Clerk identified Farah Modi-Shah as the borrower along with Fahad Shah as co-borrower with a principal mortgage amount of \$335,266. The original mortgage servicer/lender was First Bank.

10. The deed for the Shahs' loan to purchase 308 Post Oak Trail was transferred from First Bank to AmeriHome Mortgage Company LLC ("AmeriHome") through a Corporate Assignment of Deed on or about January 2, 2020. The Shahs continued making monthly mortgage payments throughout 2018, 2019, and 2020 until they paid the loan off.

Proceeds from Underlying Specified Unlawful Activity Are Used to Pay Off Balance of Mortgage for 308 Post Oak Trail

11. On or about May 1, 2020, Fahad Shah submitted a false and misleading PPP application in the name of WBF Weddings by Farah Inc. (“WBF”) to Company 1, a company that reviews PPP loan applications and partners with banks to fund PPP loans. WBF requested PPP funds of approximately \$1,592,657. In the application to Company 1, Fahad Shah misrepresented critical information, including WBF’s average monthly payroll and number of employees. Fahad Shah signed the application and certified that the application and the information he provided in all supporting documents and forms was true and accurate.

12. Based on Fahad Shah’s untrue statements, WBF’s loan application was approved. On or about May 4, 2020, a bank disbursed approximately \$1,592,657 in PPP loan funds through wire transfer to WBF’s bank account at Wells Fargo.

13. On May 6 and 7, 2020, WBF wired a total of \$350,205.39 from its Wells Fargo account—the one that had received the PPP funds—to AmeriHome to satisfy the remaining balance on the Shahs’ loan. AmeriHome recorded a Release of Lien with the Collin County Clerk on June 1, 2020 confirming that the Shahs’ mortgage for 308 Post Oak Trail was paid in full.

14. Based on a review of WBF's bank records, the government determined that the \$350,205.39 wired to AmeriHome came directly from the PPP funds that were deposited in WBF's Wells Fargo account on May 4, 2020.

BASIS FOR FORFEITURE

15. The defendant real property, 308 Post Oak Trail, Murphy, Collin County, Texas is subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) and 981(a)(1)(D) because it constitutes property involved in transactions or attempted transactions in violation of 18 U.S.C. § 1957 and/or is property traceable to violations of 18 U.S.C. § 1343.

16. The defendant real property has not been seized.

17. The government does not request authority from the Court to seize the above-listed real property at this time. Pursuant to 18 U.S.C. §§ 985(b)(1) and (c)(1), the government will instead do the following:

- a. Post notice of this action and a copy of the Complaint on the property;
- b. Serve notice of this action and a copy of this Complaint on the real property owner and any other person or entity who may claim an interest in the real property; and

- c. File a *lis pendens* in county records of the real property's status as a defendant in this *in rem* action.

POTENTIAL CLAIMANTS

18. The potential claimants to the defendant property are:

Farah Modi-Shah
308 Post Oak Trail
Murphy, Texas 75094

Fahad Shah
308 Post Oak Trail
Murphy, Texas 75094

CLAIM FOR RELIEF

19. The United States respectfully requests that the Court forfeit the defendant real property to the United States, award costs and disbursements in this action to the United States, and order any other relief that the Court deems appropriate.

Respectfully submitted,

STEPHEN J. COX
UNITED STATES ATTORNEY

/s/ Robert Austin Wells
ROBERT AUSTIN WELLS
Assistant United States Attorney
Texas State Bar No. 24033327
110 N. College, Suite 700
Tyler, Texas 75702
Tel: (903) 590-1400
Fax: (903) 590-1437
Email: robert.wells3@usdoj.gov

ATTORNEYS FOR THE UNITED
STATES

VERIFICATION PURSUANT TO 28 U.S.C. § 1746

I, Ronny Leazer, III, hereby state that:

1. I am a Special Agent with the Internal Revenue Service, Criminal Investigations.
2. I have read this Complaint, and the information contained herein is true and correct to the best of my knowledge.
3. The information contained in this Complaint comes from the official files and records of the United States, statements from other law enforcement officers, and my investigation of the case.

I state and verify under penalty of perjury that the foregoing is true and correct.

—


Ronny Leazer, III, Special Agent
Internal Revenue Service
Criminal Investigations

Dated: _____06/22/20_____

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

United States of America

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

Robert A. Wells, USAO-EDTX, 110 N. College, Suite 700
Tyler, Texas 75702 (903)590-1400

DEFENDANTS

Real Property Located at 308 Post Oak Trail, Murphy, Collin
County, Texas, including All Buildings, Appurtenances, and

County of Residence of First Listed Defendant Collin
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE
LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☒ 1 U.S. Government Plaintiff
☐ 2 U.S. Government Defendant
☐ 3 Federal Question (U.S. Government Not a Party)
☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|--|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated <i>or</i> Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated <i>and</i> Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input checked="" type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition			

V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
☐ 2 Removed from State Court
☐ 3 Remanded from Appellate Court
☐ 4 Reinstated or Reopened
☐ 5 Transferred from another district (specify) _____
☐ 6 Multidistrict Litigation
☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

This is an in rem civil forfeiture proceeding pursuant to 18 USC 981

Brief description of cause:

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$ _____

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE _____

DOCKET NUMBER _____

DATE 06/22/2020 SIGNATURE OF ATTORNEY OF RECORD

ROBERT WELLS

Digitally signed by ROBERT WELLS
Date: 2020.06.22 13:01:57 -05'00'

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____